

REPORT NO.

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**SUPPLEMENT TO  
REPORT NO.**

1. Members of the Whampoa clique, who are now in control on Taiwan, are preparing to launch another political offensive against Admiral KWEI Yung-ch'ing, SUN Li-jen, HO Ying-chin and LU Ching-shih.<sup>1</sup>
2. KWEI, SUN and HO are said to have given information to General Chase concerning political groups which work within the armed forces. KWEI reportedly recently held an interview with General Chase in which he gave him such information. KWEI denied the accusations, but in spite of his denial all of his intelligence men have been taken from him and replaced by CHIANG Ching-kuo's men.
3. The same action is to be taken against SUN in the near future.
4. There is no information available on the HO case, but it is said he requested the Gimo to send him to Southeast Asia to secure more aid for the Nationalist Government from Overseas Chinese. HO reportedly told LU Ching-shih that the Gimo not only refused, but also placed him under house arrest. HO is permitted to leave his residence but not to travel outside Taipei unless under special circumstances which must be known to the authorities. HO's status now is the same as that of General PAI Chung-hsi.
5. Almost simultaneously with the return of LU Ching-shih from the US, where he visited many labor leaders,<sup>2</sup> the AFL sent a cable to the Nationalist Government through TSIANG Ting-fu complaining as follows:
  - a. There is no free trade union movement on Taiwan.
  - b. The Minister of Communications has seized control of the communications unions for his own use.
6. The Minister of Communications, HO Chung-han, reportedly accused LU of giving information on the Nationalists' weaknesses to "American imperialists." The Whampoa clique will attempt to undercut LU Ching-shih and KU Cheng-Kang, who HO claims is head of the CC Clique.<sup>3</sup>

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7. When LU is out of power the Whangpoa clique will attack the AFL representative on Taiwan, charging him with interfering in Chinese politics. Chase and the AFL representative are regarded as the two men most responsible for interfering in Chinese politics and trying to get into power those men who are tools of the United States. The Whangpoa Clique will make no charges against Chase.

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1. [REDACTED] Comment. See [REDACTED] for Nationalist disapproval of KMT and SUN.

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2. [REDACTED] Comment. According to [REDACTED] LU attended the World Labor Conference in New York in October.

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3. [REDACTED]

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